



# Department of Justice

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**FORMER NEW YORK SUPPLIER OF DISPLAY MATERIALS TO PHILIP MORRIS  
INDICTED IN BID RIGGING AND TAX FRAUD CONSPIRACIES**

WASHINGTON, D.C. -- A federal grand jury in New York City returned a four-count bid-rigging and tax fraud indictment yesterday against a New York executive and two of his companies that supply display materials used to advertise and promote products in retail stores.

The indictment, filed in U.S. District Court in New York City, charged Dani Siegel of New York City and Westhampton, and two of his companies with violating antitrust and tax laws. The executive and one of the companies are charged with participating in a bid-rigging conspiracy involving contracts awarded by Philip Morris, Inc. in New York City for the supply of display materials used to advertise and promote products in retail stores. The executive and the second company are charged with participating in a tax fraud conspiracy. The remaining two counts charge the executive with related tax offenses.

The case is part of an ongoing investigation by the Department's Antitrust Division of bid-rigging, commercial bribery and tax-related offenses in the display industry.

Anne K. Bingaman, Assistant Attorney General in charge of the Justice Department's Antitrust Division said, "this indictment reflects the Division's resolve to rout out corruption and anticompetitive conduct in the display industry."

The Antitrust Division filed the four-count felony indictment charging that Mr. Siegel and Visart Mounting & Finishing Corp., until recently headquartered in the Bronx, engaged in the bid-rigging conspiracy beginning at least as early as November 1987 and continuing until at least October 1991 and charging that Siegel and Genetra Affiliates, Inc., headquartered

in Manhattan, engaged in a tax fraud conspiracy beginning as early as the beginning of 1988 and continuing until March 1991.

Siegel and Visart are charged with participating in a conspiracy to rig bids and allocate contracts awarded by Philip Morris to supply retail stores with point-of-purchase display materials. During the conspiracy, Visart obtained display contracts relating to work for Philip Morris worth approximately \$5 million.

Siegel and Genetra are charged with tax fraud in connection with a conspiracy to raise and accumulate approximately \$200,000 in cash. The conspiracy involved a series of more than two dozen sham transactions that were designed to overstate Genetra's expenses, take false tax deductions and conceal cash income that was not reported to tax authorities. Siegel is also charged with subscribing to false federal tax returns filed by Genetra for 1989 and 1990.

This prosecution is the result of a grand jury investigation being conducted by the Antitrust Division's New York field office with the assistance of the Federal Bureau of Investigation and the Internal Revenue Service. To date, ten individuals and four corporations have pleaded guilty or agreed to plead guilty to various federal charges as a result of the Division's investigation of the display industry. Among the ten individuals are the principals of AM-PM Sales Co., Inc., identified in today's charge as co-conspirators with Siegel and Visart in the bid-rigging conspiracy, and Bert Levine, identified as a co-conspirator in the tax fraud conspiracy.

The maximum penalty for an individual convicted of a violation of the Sherman Act committed after November 16, 1990, is three years in prison and a fine not to exceed the greatest of \$350,000, twice the pecuniary gain the individual derived from the crime or twice the pecuniary loss caused to the victim of the crime. The maximum penalty for a corporation convicted of a violation of the Sherman Act continuing after November 16, 1990 is a fine not to exceed the greatest of \$10 million, twice the pecuniary gain derived from the crime or twice the pecuniary loss caused to the victim of the crime.

The maximum penalty for an individual convicted of conspiracy to defraud the Internal Revenue Service or income tax evasion is five years in prison and a fine not to exceed the

greatest of \$250,000, twice the pecuniary gain the individual derived from the crime or twice the pecuniary loss to the victims. The maximum prison sentence for an individual convicted of subscribing to fraudulent tax returns is three years.

Anyone with information concerning bid rigging, bribery or fraud in the display industry may contact the New York Division of the FBI at (212) 384-1000.

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